

---

STATUTORY INSTRUMENTS

---

**2002 No. 2005**

**The Working Tax Credit (Entitlement  
and Maximum Rate) Regulations 2002**

**PART 1**

**GENERAL**

**Citation, commencement and effect**

**1.** These Regulations may be cited as the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 and shall come into force—

- (a) for the purpose of enabling claims to be made, on 1st August 2002;
- (b) for the purpose of enabling decisions on claims to be made, on 1st January 2003; and
- (c) for all other purposes, on 6th April 2003;

and shall have effect for the tax year beginning on 6th April 2003 and subsequent tax years.

**Interpretation**

**2.—(1)** In these Regulations, except where the context otherwise requires—

“the Act” means the Tax Credits Act 2002, and a reference without more to a numbered section is a reference to the section of the Act bearing that number;

“the Board” means the Commissioners of Inland Revenue;

“the Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992<sup>(1)</sup>;

“child” has the same meaning as it has in the Child Tax Credit Regulations 2002<sup>(2)</sup>;

“claim” means a claim for working tax credit and “joint claim” and “single claim” have the meanings respectively assigned in section 3(6);

“claimant” means the person making a claim and, in the case of a joint claim, means either of the claimants;

“couple” means a married couple or an unmarried couple;

“the determination of the maximum rate” means the determination of the maximum rate of working tax credit;

“employed”, except in the expression “self-employed” means employed under a contract of service and includes the holding of an office, the emoluments of which are chargeable to Schedule E, and cognate expressions shall be construed accordingly;

---

(1) 1992 c. 4.

(2) S.I. 2002/2007.

“employment zone” means an area within Great Britain designated by the Employment Zones Regulations 2000<sup>(3)</sup> for the purposes of section 60 of the Welfare Reform and Pensions Act 1999<sup>(4)</sup>;

“employment zone programme” means a programme which is—

- (a) established for one or more employment zones, and
- (b) designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

“initial claim” has the same meaning as in section 11(1) of the Social Security Administration Act 1992<sup>(5)</sup>;

“local authority” means—

- (a) in relation to England, the council of a county or district, a metropolitan district, a London Borough, the Common Council of the City of London or the Council of the Isles of Scilly;
- (b) in relation to Wales, the council of a county or county borough; or,
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government, etc. (Scotland) Act 1994<sup>(6)</sup>;

“patient” means a person (other than a person who is serving a sentence, imposed by a court, in a prison or youth custody institution or, in Scotland, a young offenders' institution) who is regarded as receiving free in-patient treatment within the meaning of the Social Security (Hospital In-Patients) Regulations 1975<sup>(7)</sup>;

“period of award” shall be construed in accordance with section 4;

“qualifying young person” means a person who satisfies regulation 5 of the Child Tax Credit Regulations 2002;

“relevant child care charges” has the meaning given by regulation 14;

“Schedule E” means the Schedule so described in the Taxes Act;

“self-employed” means engaged in the carrying on of a trade profession or vocation;

“sports award” means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc. Act 1993<sup>(8)</sup> out of sums allocated to it for distribution under that section;

“surrogate child” means a child in respect of whom an order has been made under section 30 of the Human Fertilisation and Embryology Act 1990<sup>(9)</sup>;

“the Taxes Act” means the Income and Corporation Taxes Act 1988<sup>(10)</sup>;

“training allowance” means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Scottish Enterprise or Highlands and Islands Enterprise or the Department for Employment and Learning (“the relevant paying authority”);
- (b) to a person in respect of his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction—

<sup>(3)</sup> S.I. 2000/721.

<sup>(4)</sup> 1999 c. 30.

<sup>(5)</sup> 1992 c. 5. Section 11(1) was amended by paragraphs 1(b) and 3(b) of Schedule 1 to the Tax Credits Act 1999.

<sup>(6)</sup> 1994 c. 39.

<sup>(7)</sup> S.I. 1975/555; the relevant amending instruments are S.I. 1977/1693 and 1987/1683.

<sup>(8)</sup> 1993 c. 39.

<sup>(9)</sup> 1990 c. 37.

<sup>(10)</sup> 1988 c. 1.

(i) provided by, or in pursuance of arrangements made with, the relevant paying authority, or

(ii) approved by the relevant paying authority in relation to him,

but does not include an allowance, paid by a Government department, Northern Ireland department or the Scottish Executive to or in respect of a person by reason of the fact that he is training as a teacher, or is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973<sup>(11)</sup>, section 2 or 3 of the Disabled Persons (Employment) Act (Northern Ireland) 1945<sup>(12)</sup>, or section 1(1) of the Employment and Training Act (Northern Ireland) 1950<sup>(13)</sup>;

“week” means a period of seven days beginning with midnight between Saturday and Sunday.

(2) For the purposes of these Regulations a person is responsible for a child or qualifying young person if he is treated as being responsible for that child or qualifying young person in accordance with the rules contained in regulation 3 of the Child Tax Credit Regulations 2002.

(3) A reference in these Regulations to an enactment applying to Great Britain but not to Northern Ireland shall, unless the context otherwise requires, include a reference to the corresponding enactment applying in Northern Ireland.

### **Other elements of working tax credit**

**3.—**(1) For the purposes of determining the maximum rate of working tax credit, in addition to the basic element and the disability element<sup>(14)</sup>, the following elements are prescribed—

- (a) a 30 hour element;
- (b) a second adult element;
- (c) a lone parent element;
- (d) a child care element;
- (e) a severe disability element; and
- (f) a 50 plus element.

(2) It is a condition of entitlement to the other elements of working tax credit that the person making the claim for working tax credit is entitled to the basic element.

(3) If the claim for working tax credit is a joint claim, and both members of the couple satisfy the conditions of entitlement for—

- (a) the disability element,
- (b) the severe disability element, or
- (c) the 50 plus element,

the award must include two such elements.

---

<sup>(11)</sup> 1973 c. 50: section 2 was substituted by section 25(1) of the Employment Act 1988 (c. 19).

<sup>(12)</sup> 1945 c. 6 (N.I.): sections 2 and 3 were amended by section 1 of the Disabled Persons (Employment) Act (Northern Ireland) 1960 (c. 4 (N.I.)) and Schedule 18 to the Education and Libraries (Northern Ireland) Order 1986 (S.I. 1986/594 (N.I. 3)).

<sup>(13)</sup> 1950 c. 29 (N.I.): section 1 was amended by Article 3 of the Employment and Training (Amendment) (Northern Ireland) Order 1988 (S.I. 1988/1087 (N.I. 10)).

<sup>(14)</sup> Subsections (2) and (3) of section 11 of the Act provide that working tax credit shall include the basic element and the disability element, whilst subsection (5) provides for the possibility of including other elements.